

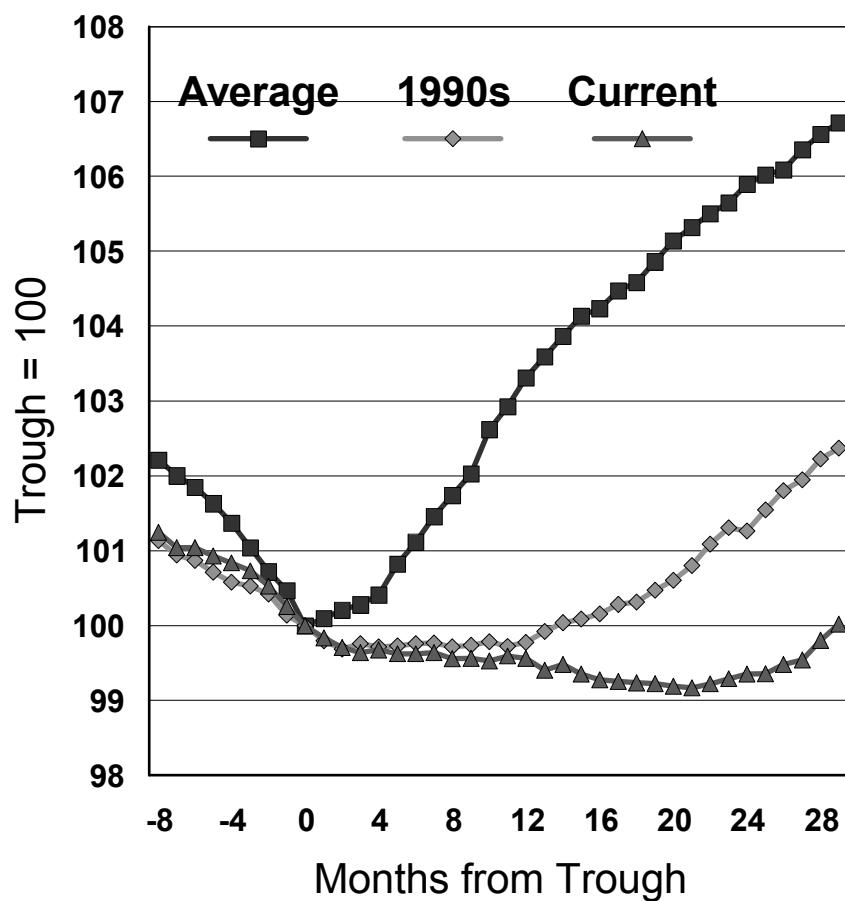
Washington State Economic Outlook

**Pacific Northwest Regional Economic Conference
May 20, 2004**

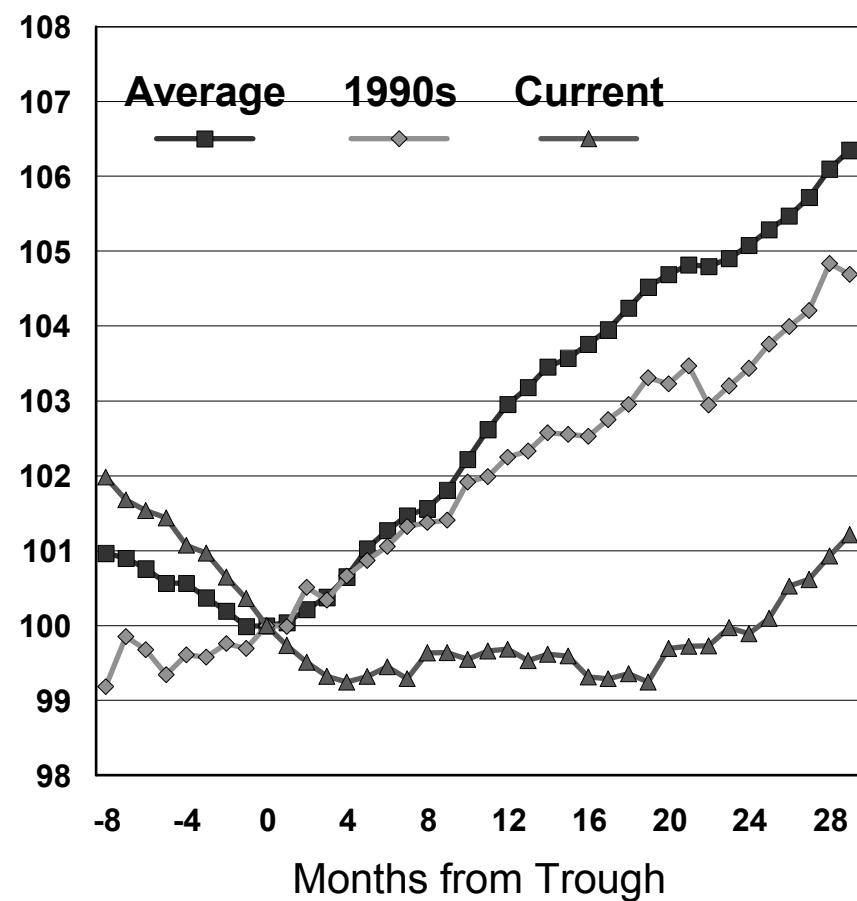
**Bret Bertolin
Senior Economic Forecaster
Economic and Revenue Forecast Council
www.erfc.wa.gov**

~~Jobless~~ Recovery

U.S.

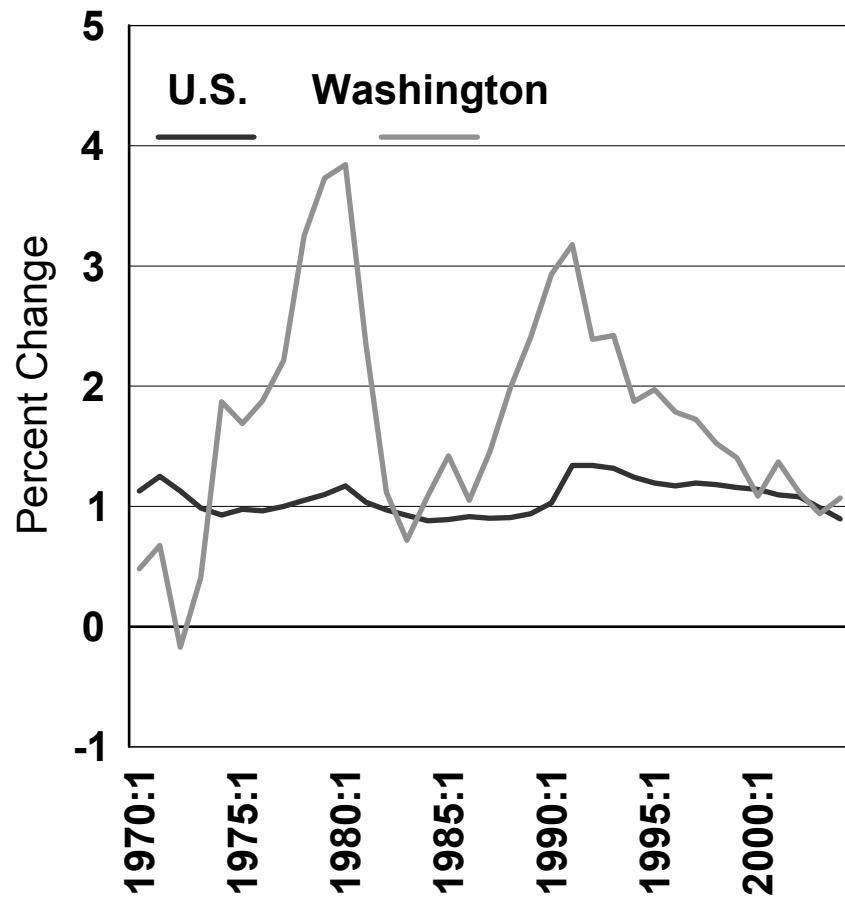


Washington

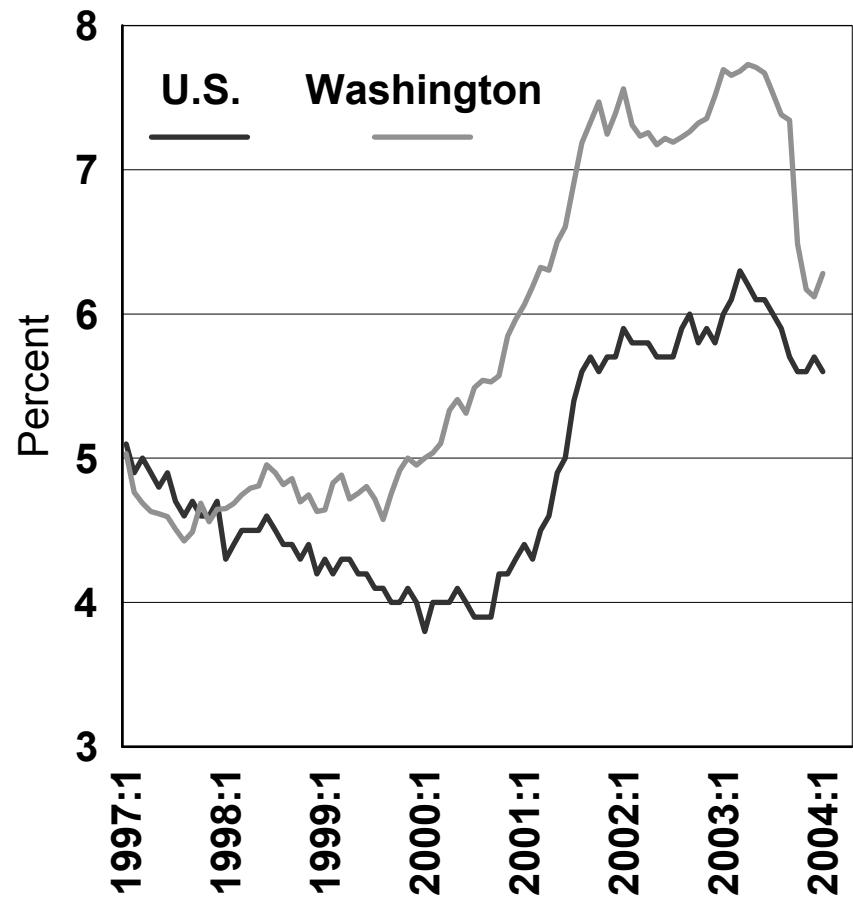


Population/Labor Market

Population



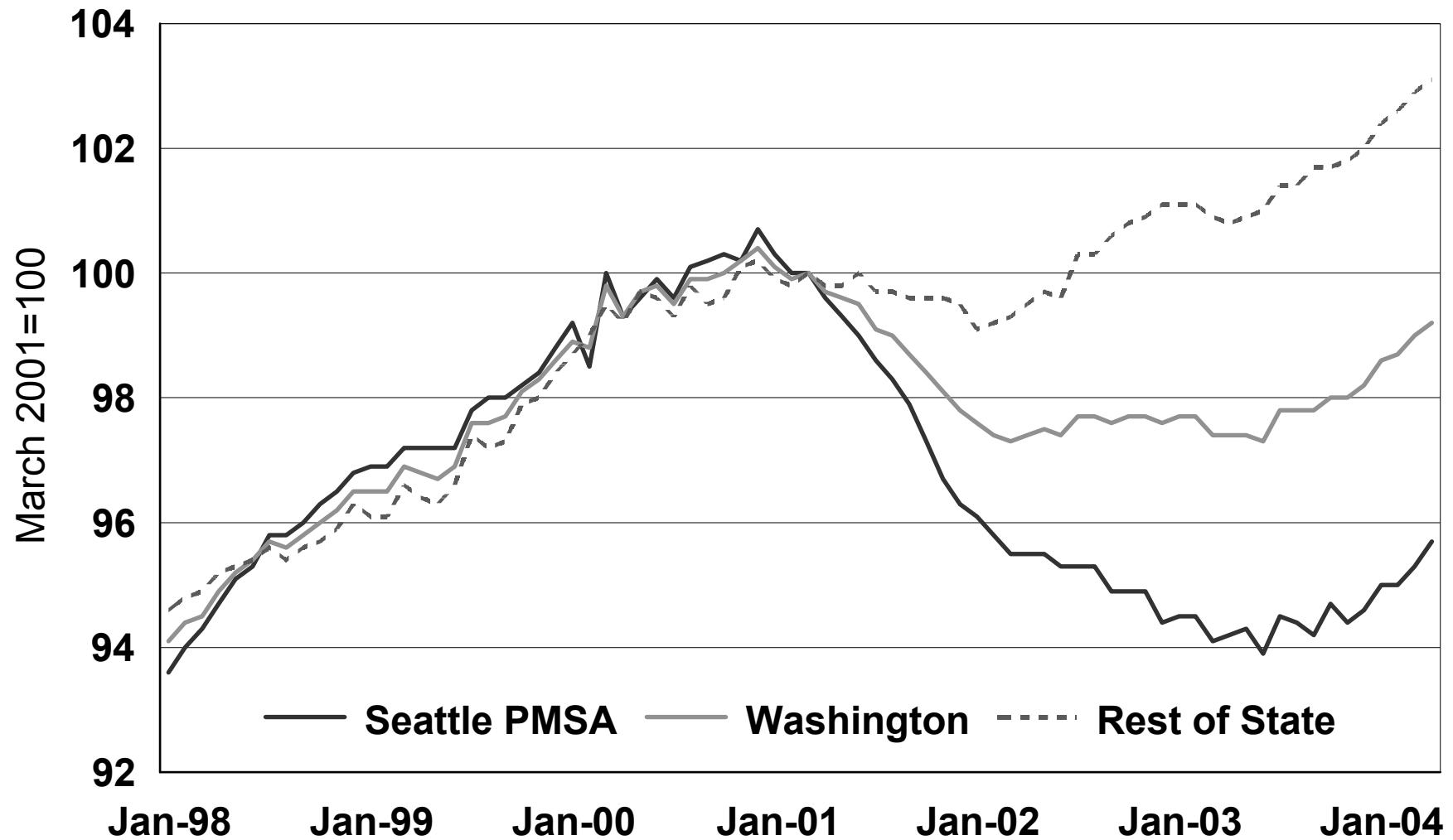
Unemployment Rate



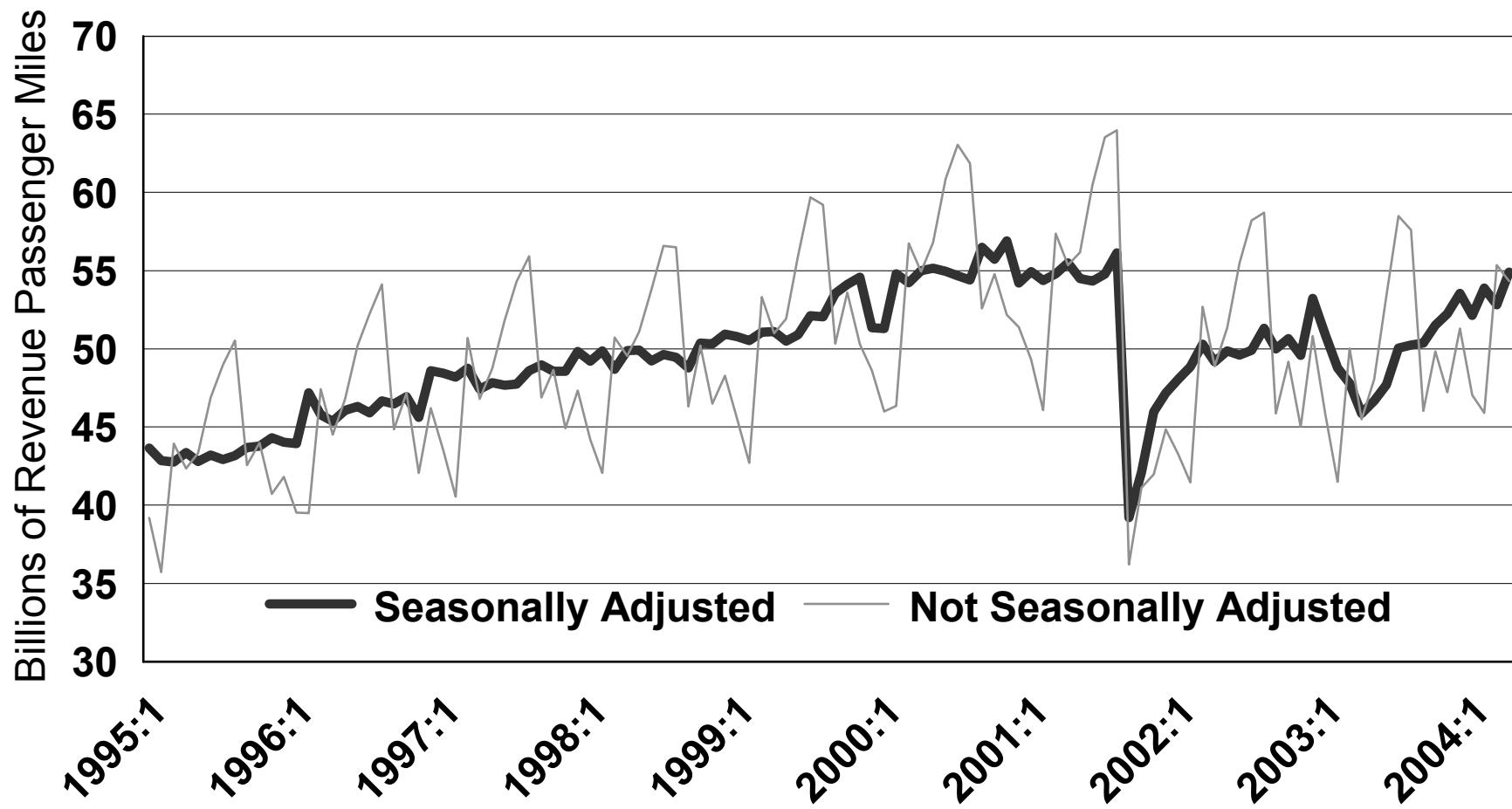
Key National Economic Variables

		2000	2001	2002	2003	2004	2005	2006	2007
Real GDP, %Ch	May	3.7	0.5	2.2	3.1	4.8	3.6	3.4	3.3
	Jan	3.7	0.5	2.2	3.2	4.7	4.0	3.4	3.3
Real Personal Income, %Ch	May	5.4	1.3	0.9	1.4	3.1	3.4	3.9	3.6
	Jan	5.4	1.3	0.9	1.3	3.6	4.2	3.9	3.6
Consumer Price Index, %Ch	May	3.4	2.8	1.6	2.3	2.2	1.5	1.4	1.9
	Jan	3.4	2.8	1.6	2.3	1.4	1.3	1.5	1.9
Housing Starts, %Ch	May	-4.5	1.8	6.9	8.0	2.9	-10.8	-2.9	0.8
	Jan	-4.5	1.8	6.9	8.1	0.5	-7.5	-4.4	0.2
Nonfarm Payroll Employment, %Ch	May	2.2	0.0	-1.1	-0.3	1.0	1.9	1.6	1.2
	Jan	2.2	0.0	-1.1	-0.2	1.5	2.6	1.7	1.4
Manufacturing Employment, %Ch	May	-0.3	-4.8	-7.2	-4.8	-1.5	0.6	0.5	-0.1
	Jan	-0.3	-4.8	-6.9	-3.9	-1.3	0.7	0.8	0.0
Construction Employment, %Ch	May	3.7	0.6	-1.6	0.1	2.5	2.9	2.3	2.5
	Jan	3.7	0.6	-1.4	0.9	2.7	5.6	2.4	2.4
Unemployment Rate	May	4.0	4.8	5.8	6.0	5.6	5.5	5.5	5.4
	Jan	4.0	4.8	5.8	6.0	5.7	5.3	5.3	5.3
3-month Treasury Bill Rate	May	5.8	3.4	1.6	1.0	1.1	2.2	2.8	2.9
	Jan	5.8	3.4	1.6	1.0	1.2	2.2	2.7	2.9
Mortgage Rate	May	8.1	7.0	6.5	5.8	6.1	6.5	6.6	6.7
	Jan	8.1	7.0	6.5	5.8	6.5	7.0	7.0	7.0

Seattle vs. Rest of Washington Employment

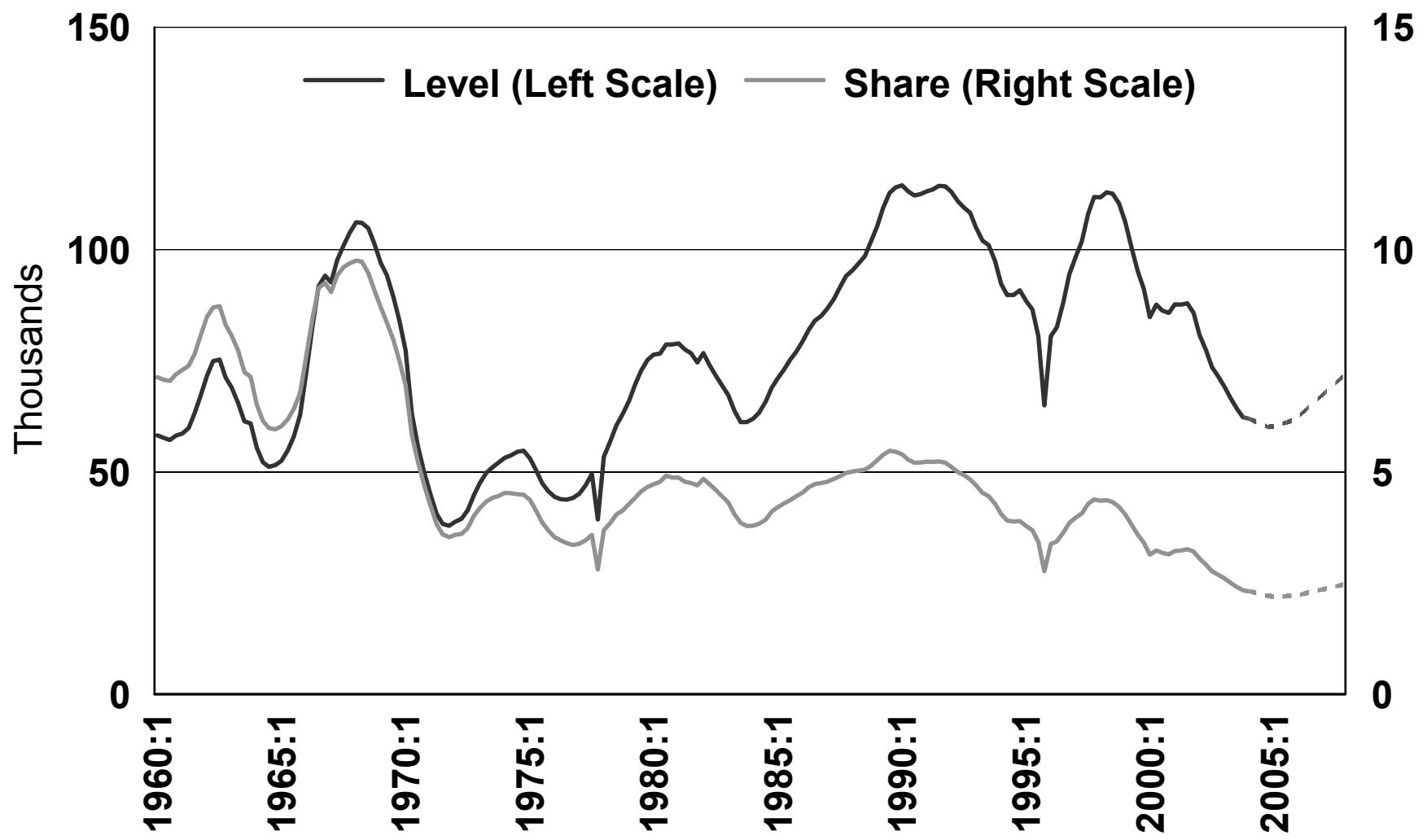


Air Traffic is Finally Recovering

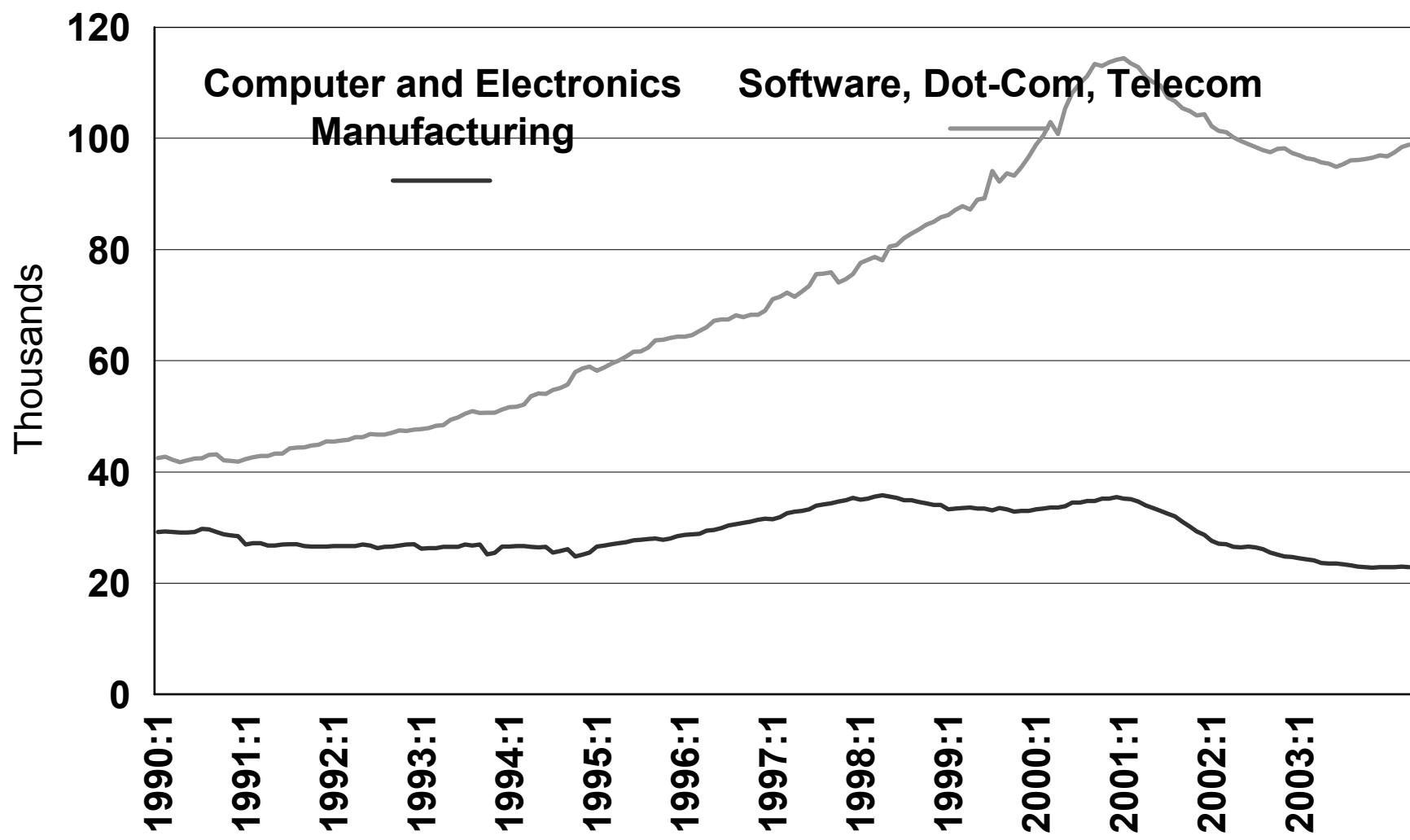


Source: Air Transport Association

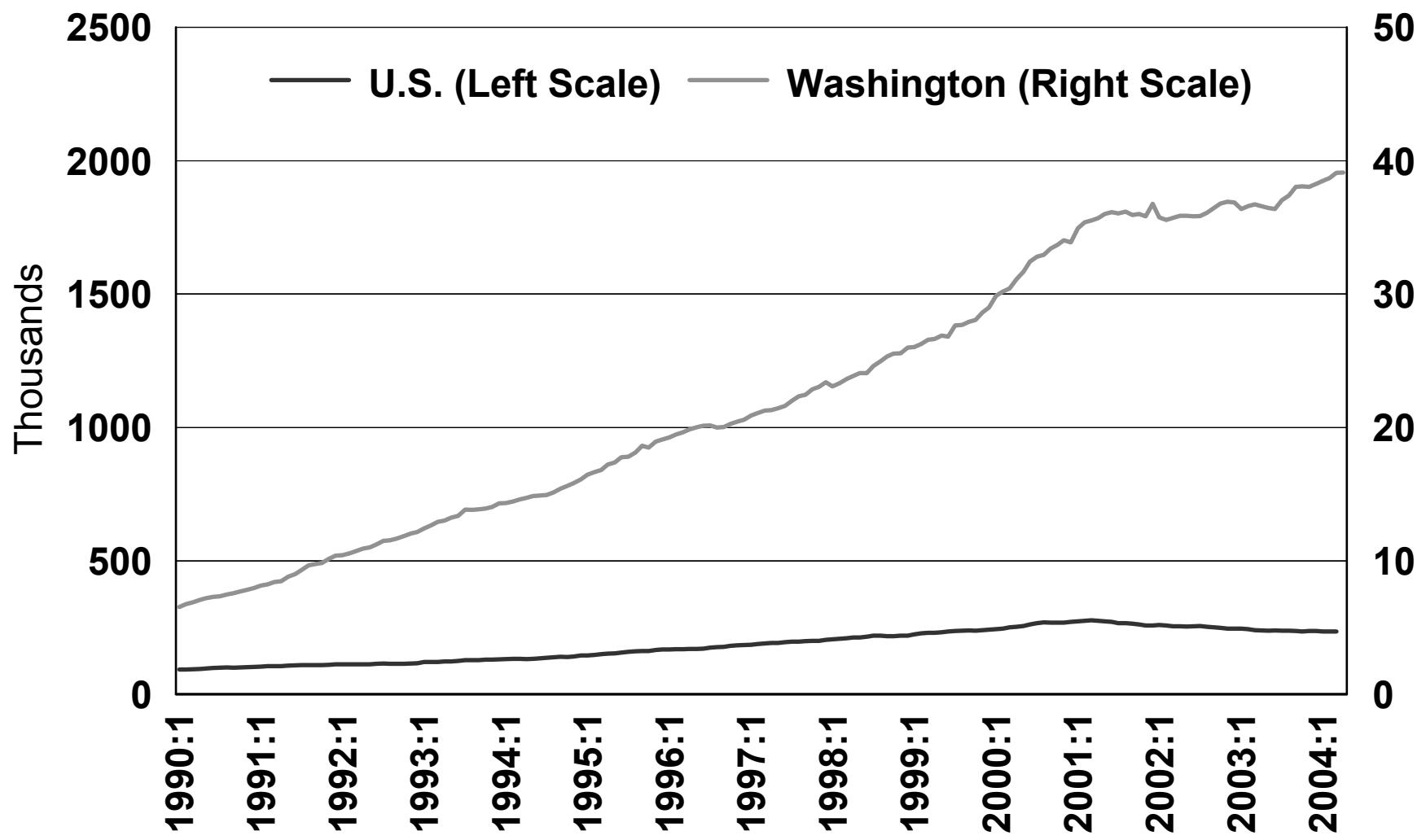
Washington Aerospace Employment



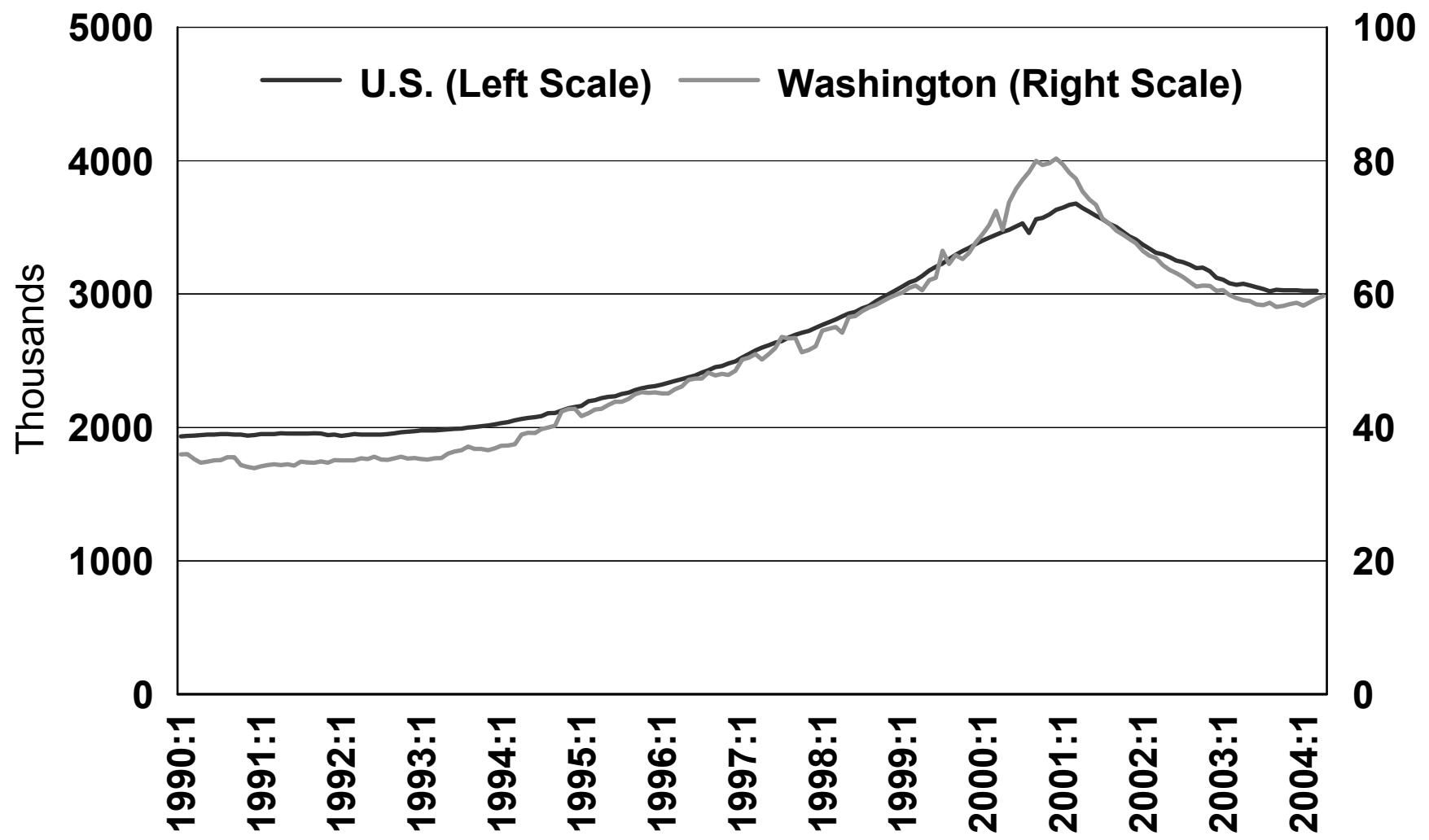
High Tech Employment in Washington



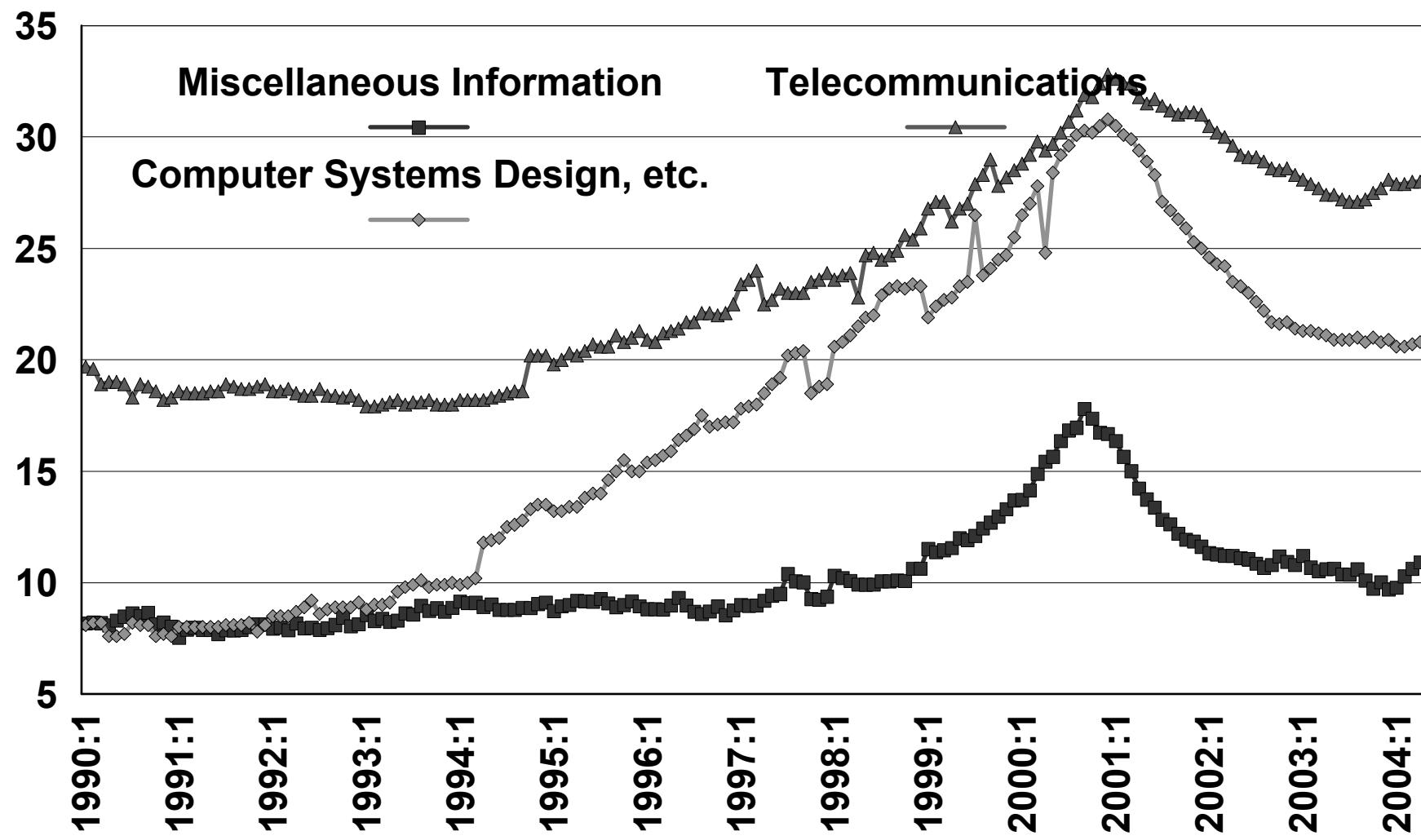
Software Publishers



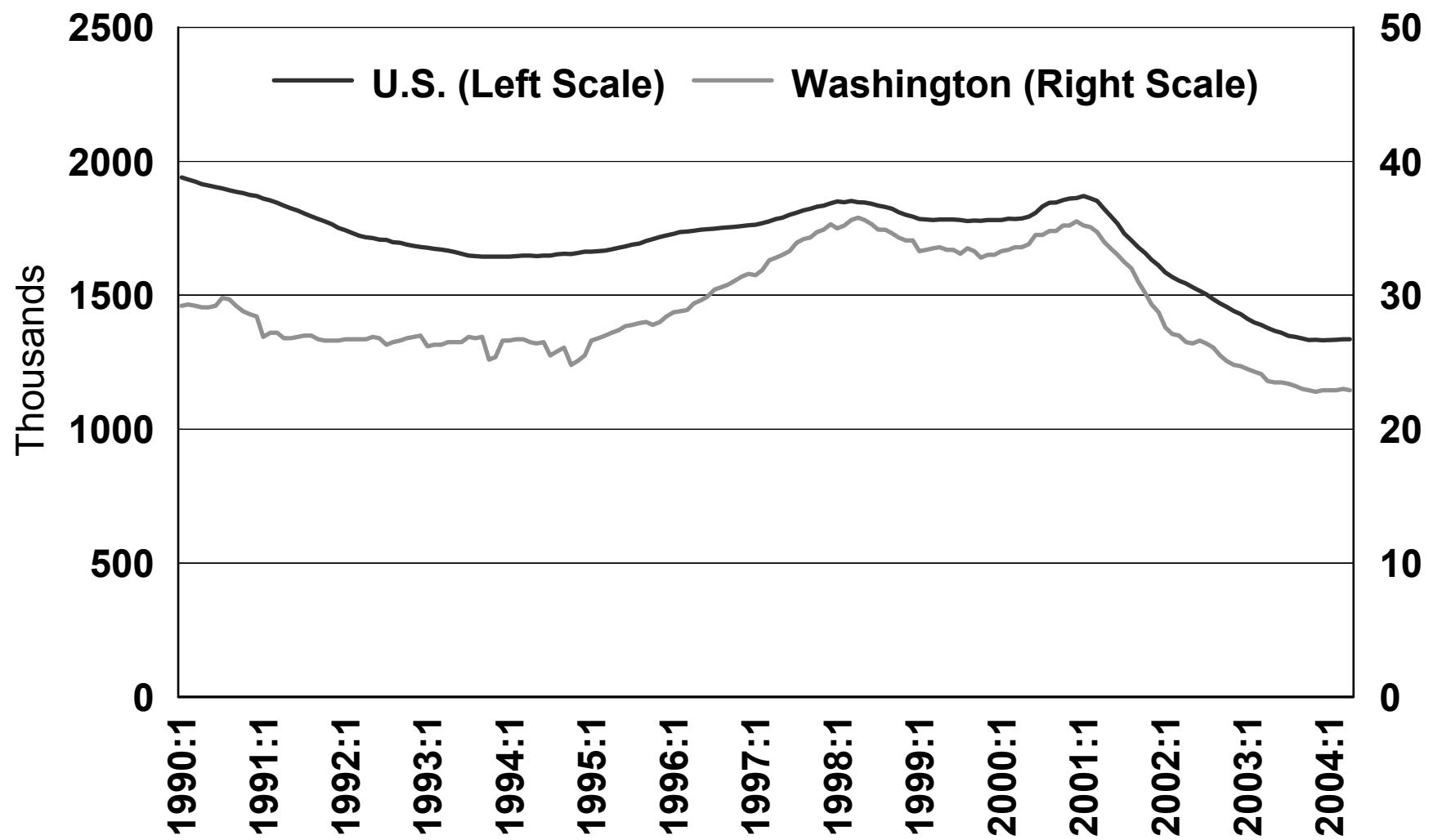
Dot-Com, Telecom



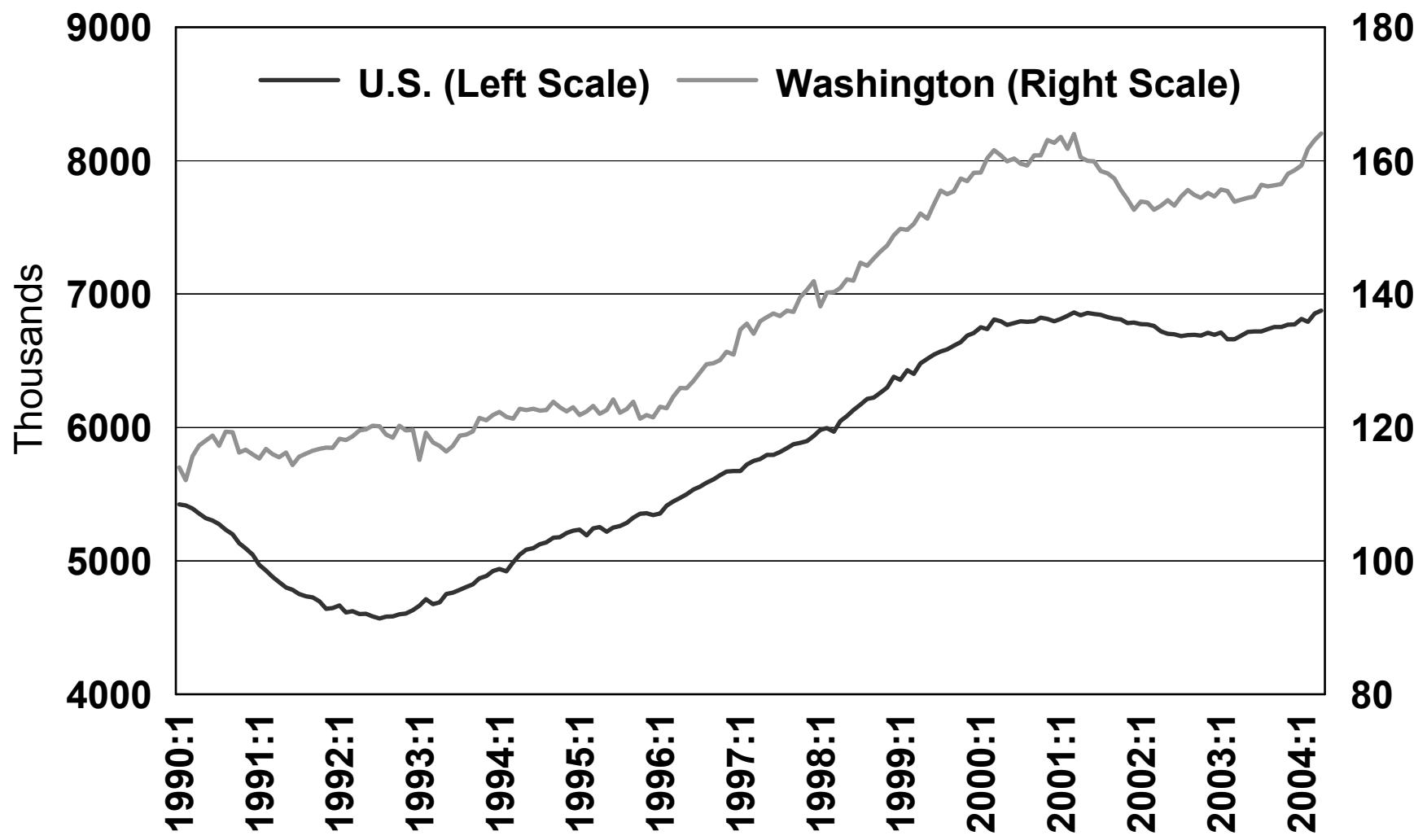
Bursting Bubbles



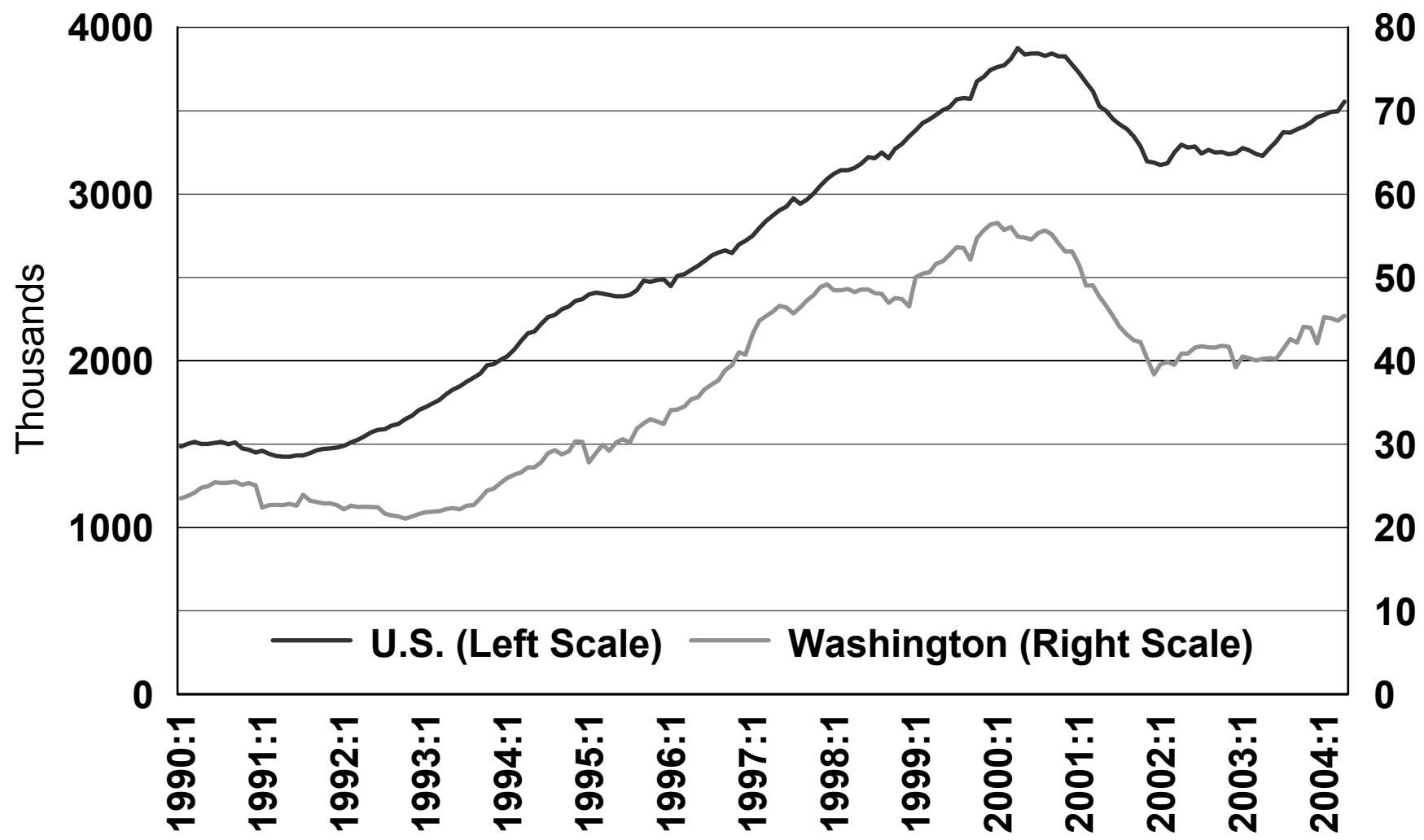
Computer and Electronics Manufacturing



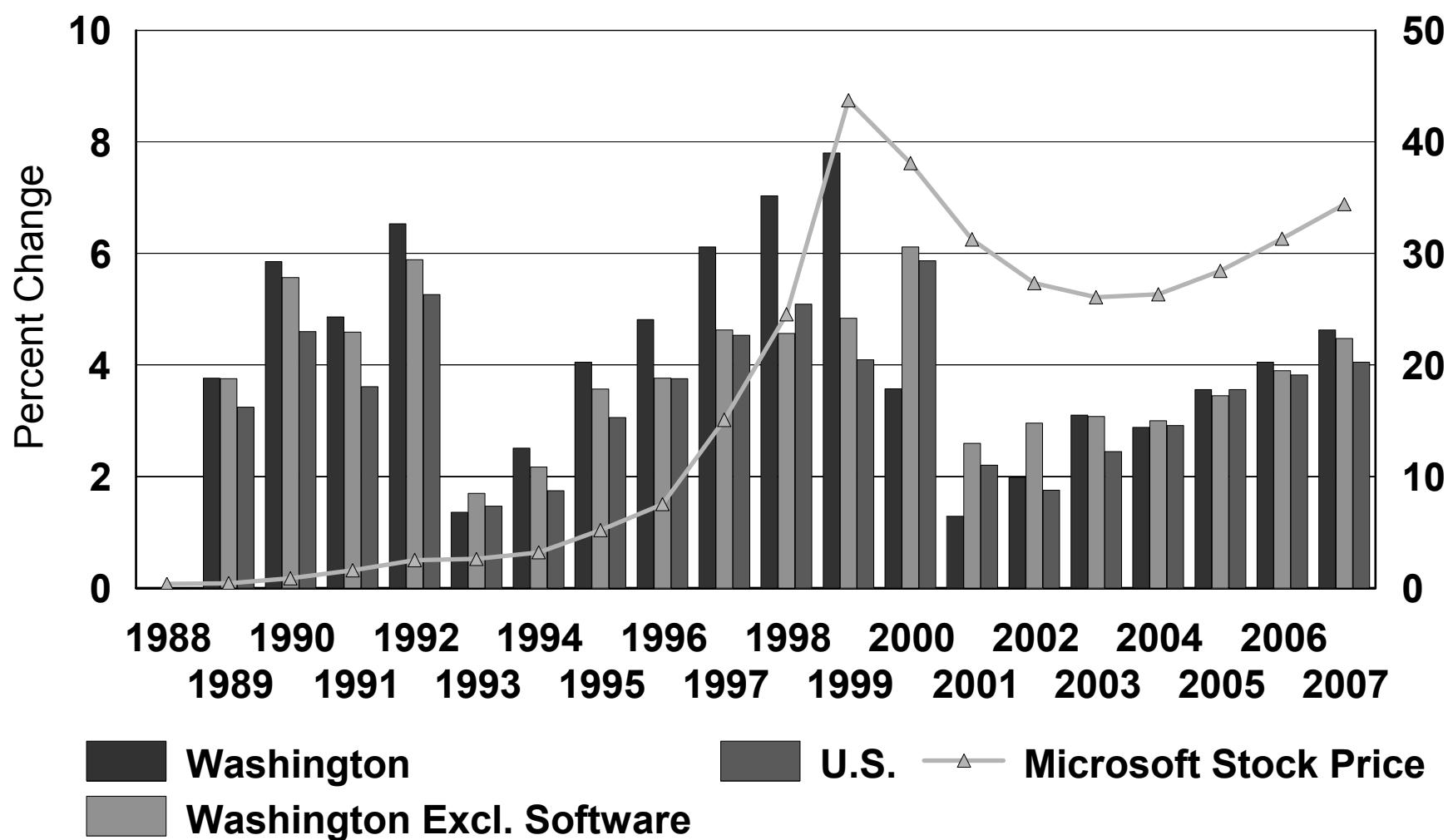
Construction



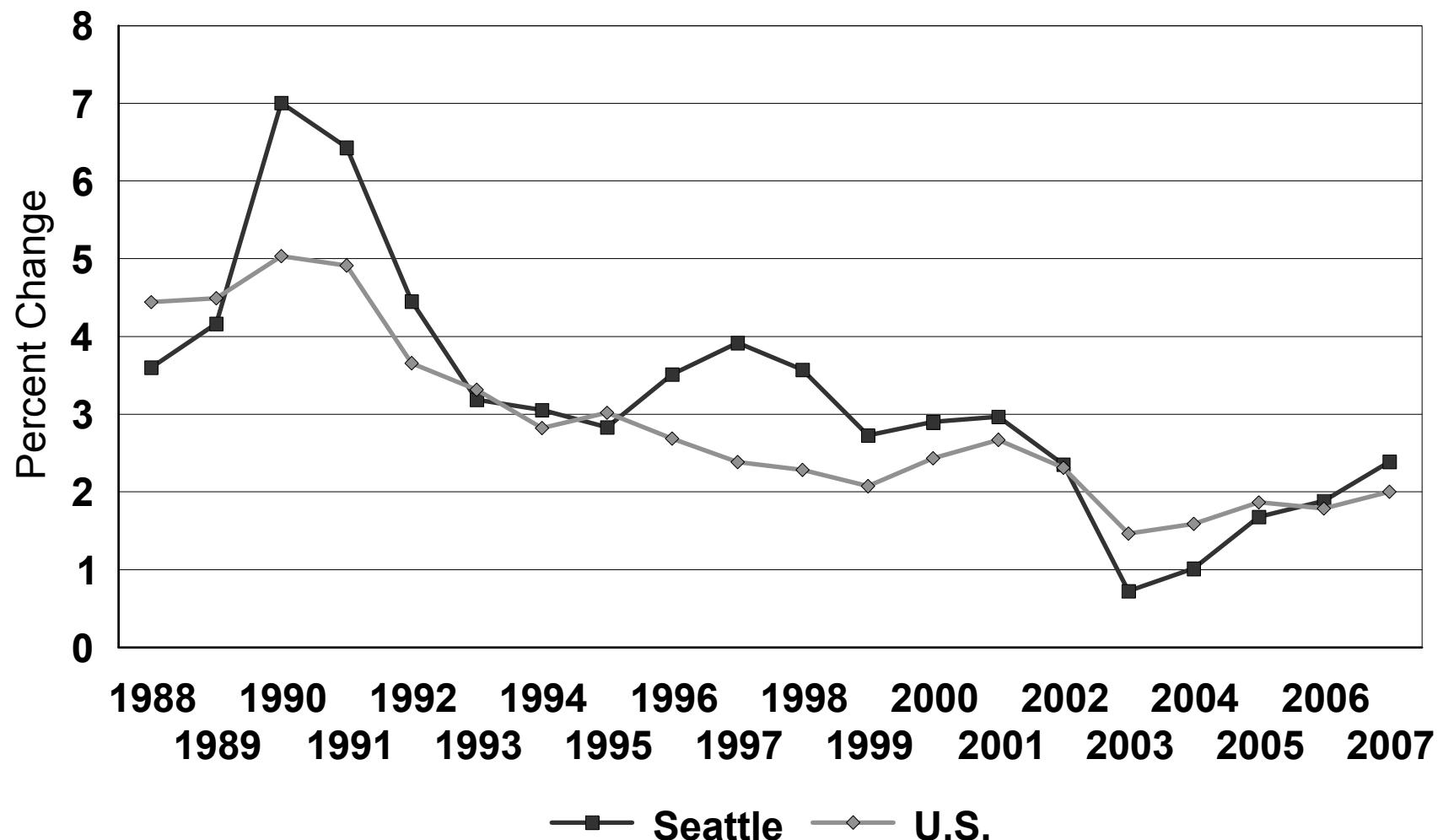
Employment Services



Average Wage Growth

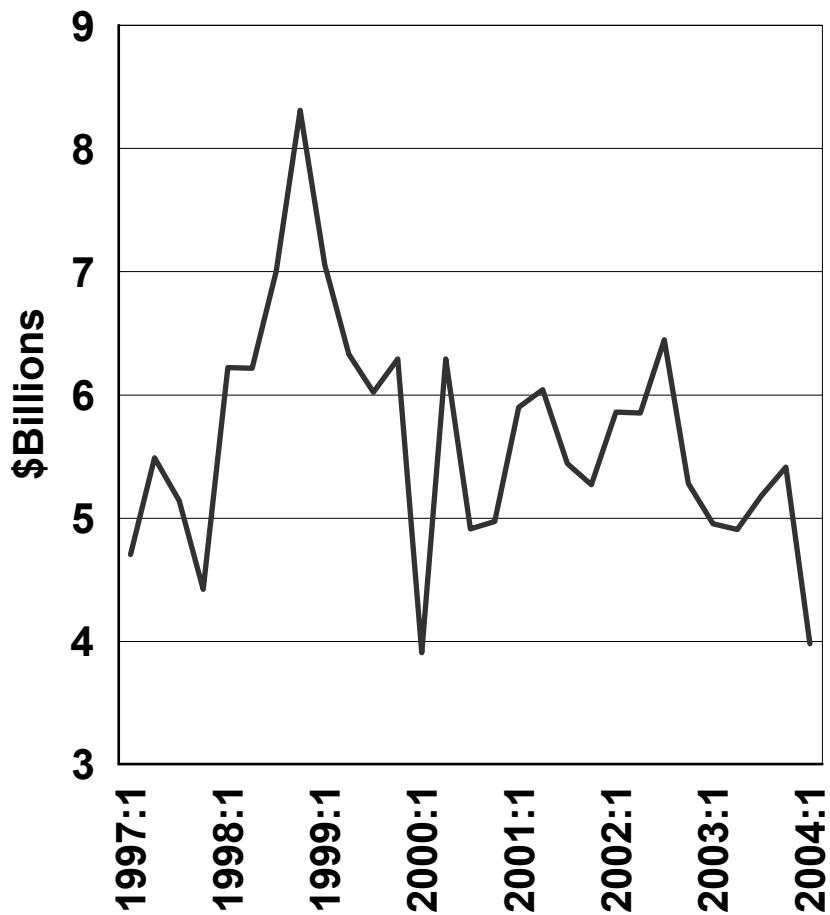


Core Inflation

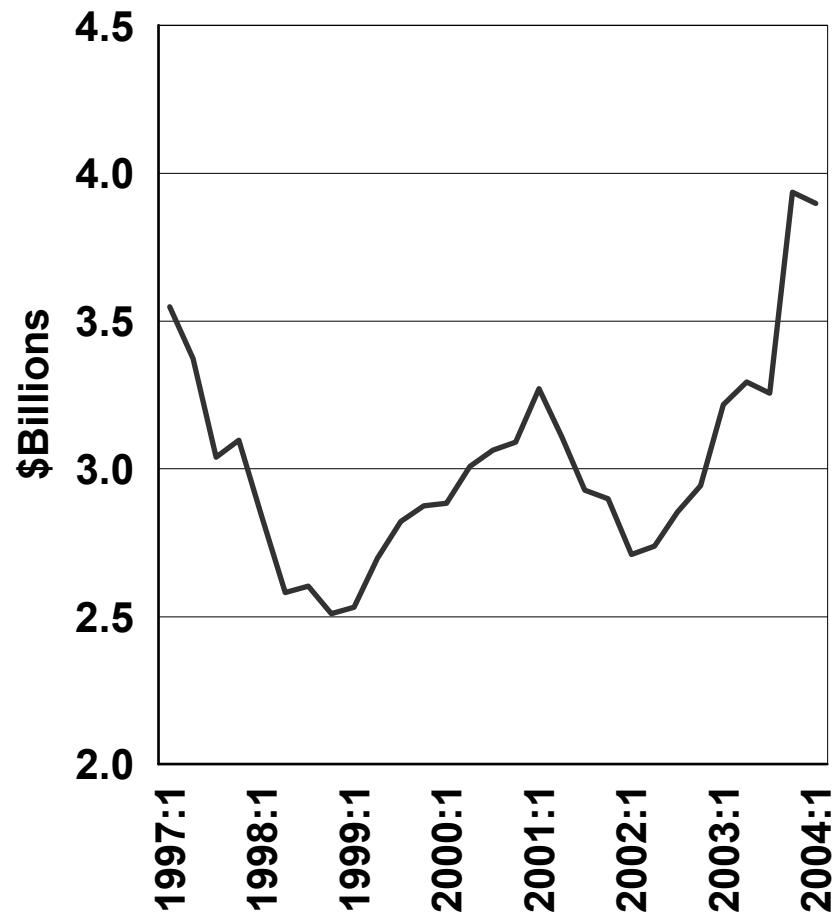


Washington Exports

Transportation Equipment

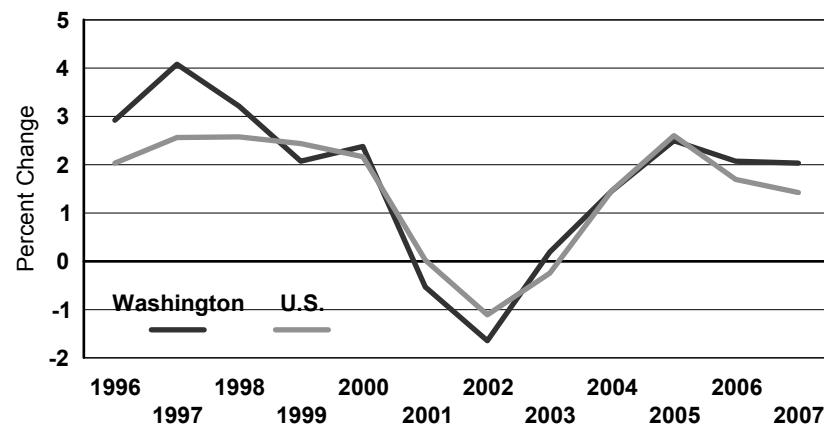


Other Exports

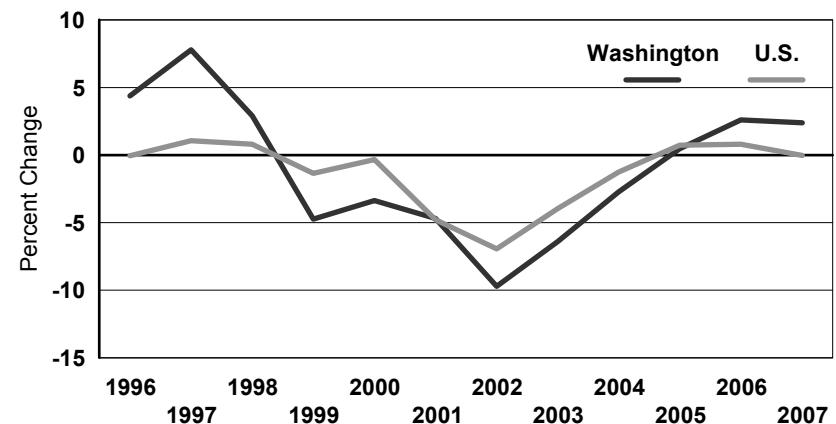


Comparison of Washington and U.S. Economic Forecasts

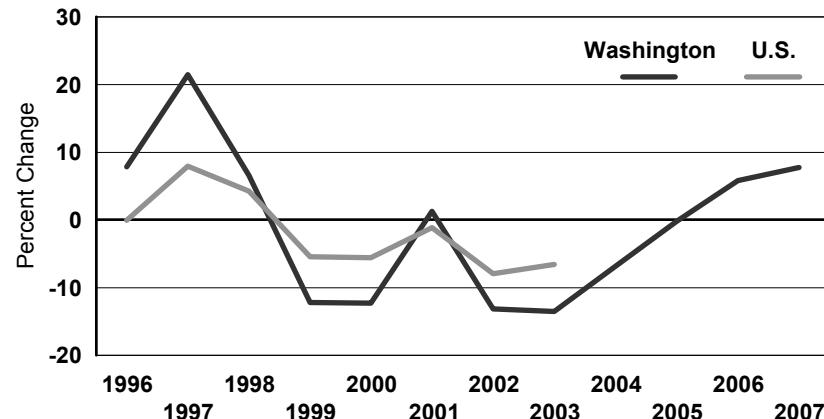
Total Payroll Employment



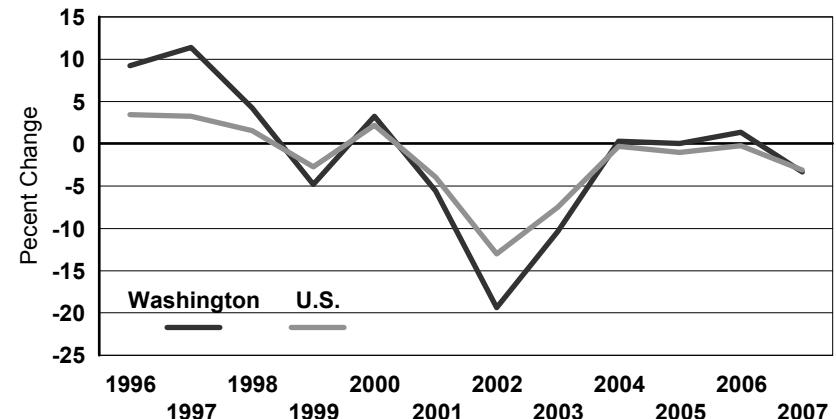
Manufacturing Employment



Aircraft and Parts Employment

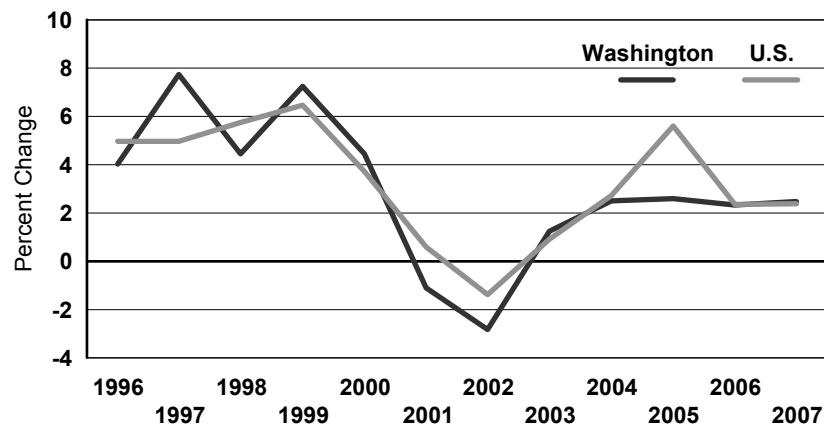


Computer and Electronic Products Employment

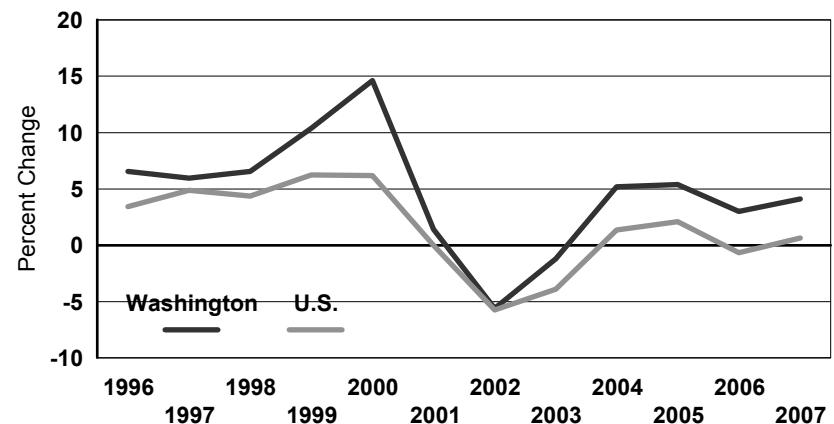


Comparison of Washington and U.S. Economic Forecasts

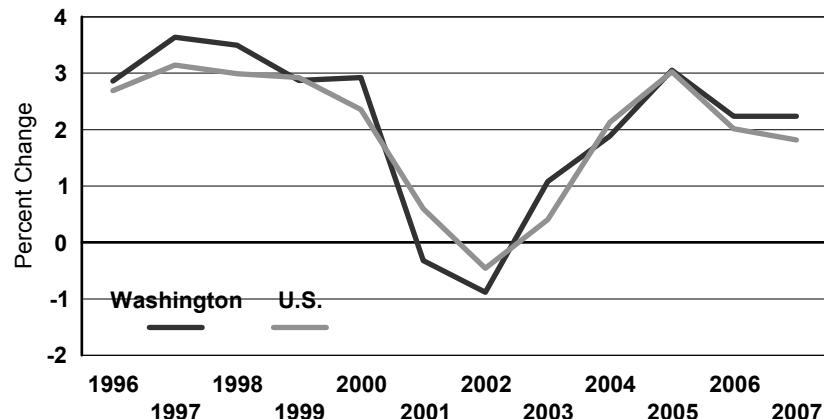
Construction Employment



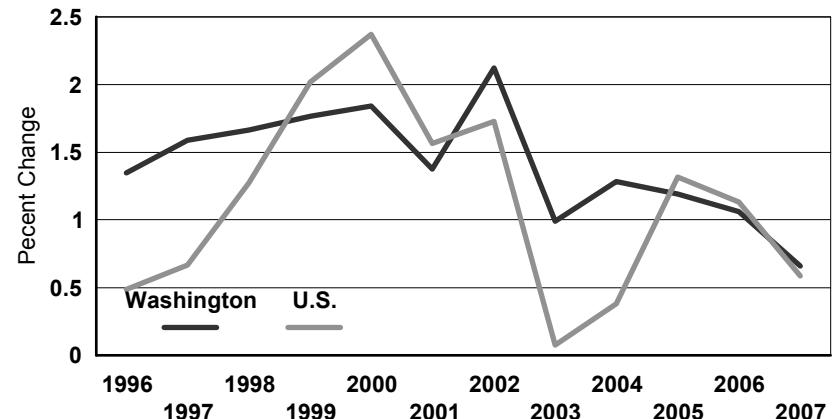
Information Employment



Other Private Employment

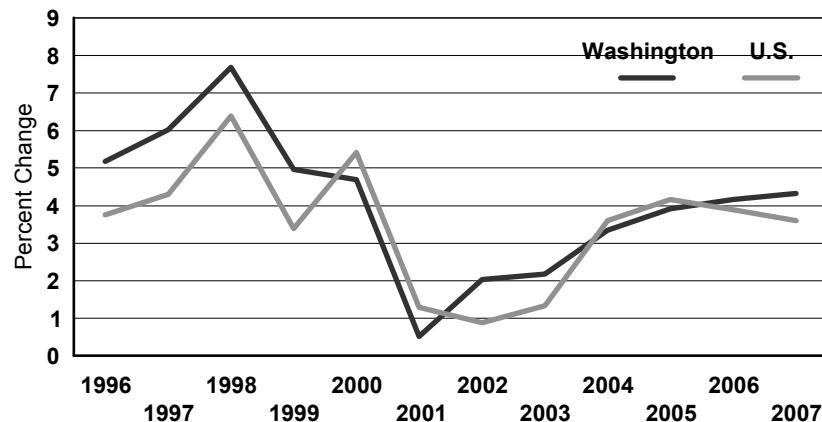


Government Employment

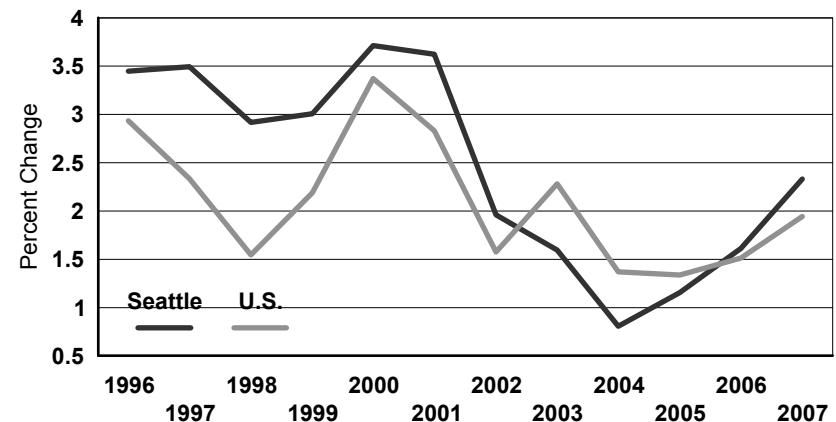


Comparison of Washington and U.S. Economic Forecasts

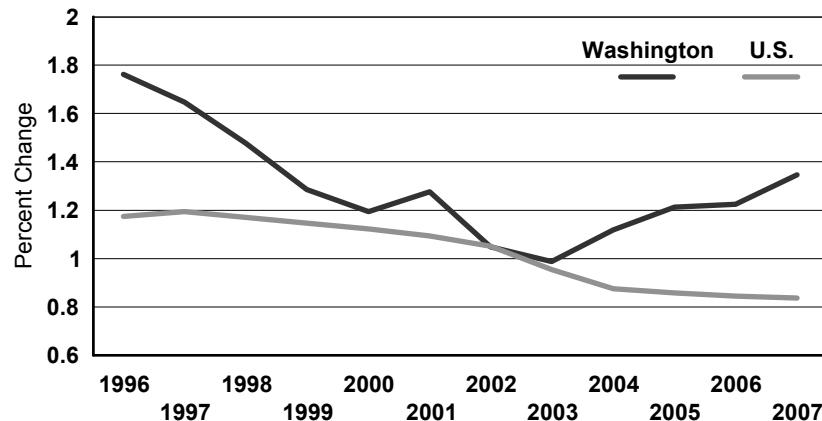
Real Personal Income



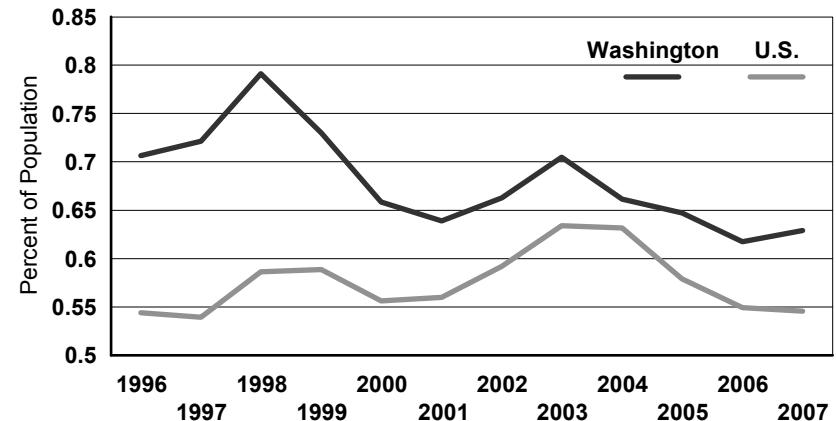
Consumer Price Indices



Population



Per Capita Housing Units

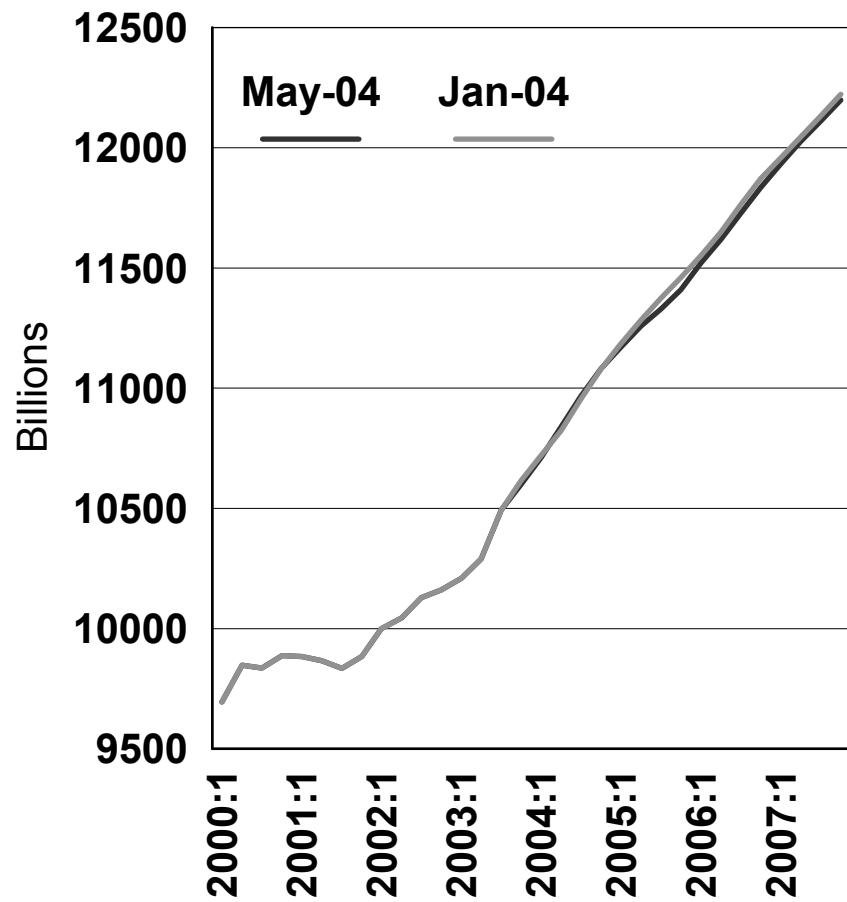


Key Washington Economic Variables

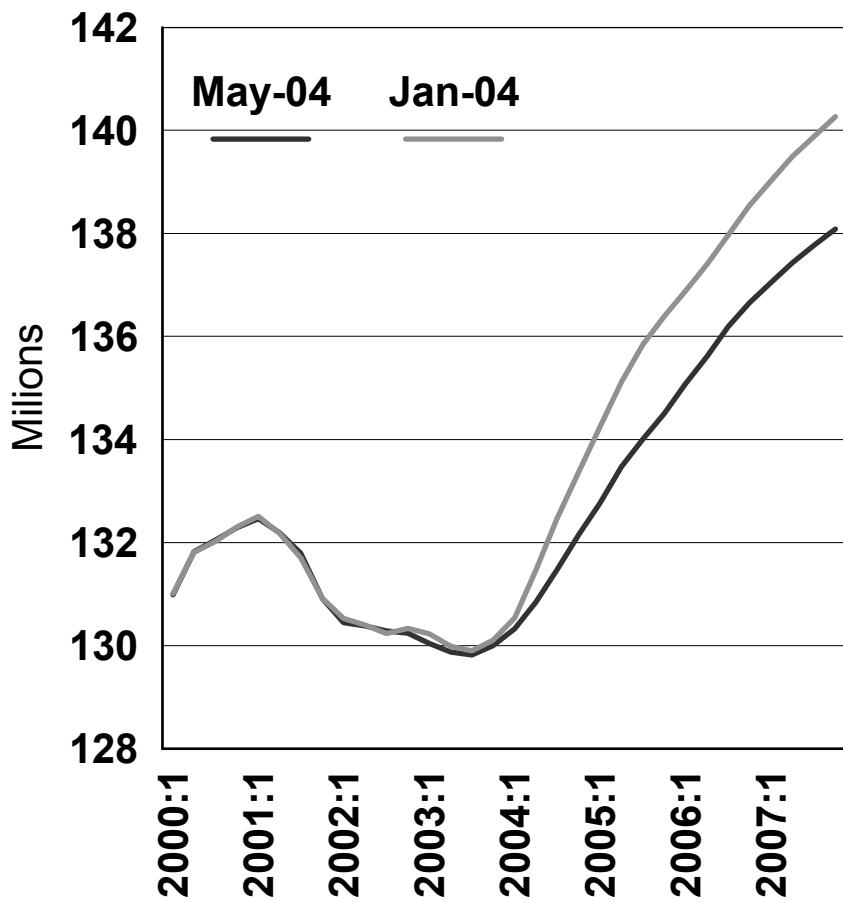
	2000	2001	2002	2003	2004	2005	2006	2007
Nonfarm Payroll Employment, %Ch	2.4	-0.5	-1.6	0.2	1.5	2.5	2.1	2.0
Manufacturing Employment, %Ch	-3.3	-4.7	-9.7	-6.4	-2.7	0.5	2.6	2.4
Aerospace Employment, %Ch	-12.3	1.3	-13.1	-13.5	-6.9	-0.2	5.8	7.8
Other Manufacturing Employment, %Ch	0.3	-6.8	-8.4	-3.8	-1.4	0.7	1.6	0.7
Software Employment, %Ch	17.8	11.3	0.2	2.3	10.5	9.8	8.9	8.4
Construction Employment, %Ch	4.4	-1.1	-2.8	1.2	2.5	2.6	2.3	2.5
Unemployment Rate	5.2	6.4	7.3	7.2	6.9	6.4	6.0	5.7
Population, %Ch	1.2	1.3	1.0	1.0	1.1	1.2	1.2	1.3
Housing Permits, %Ch	-8.7	-1.7	4.8	7.4	-5.1	-0.9	-3.5	3.3
Real Personal Income, %Ch	4.7	0.5	2.0	2.2	3.4	3.9	4.2	4.3
Consumer Price Index, %Ch	3.7	3.6	2.0	1.6	0.8	1.2	1.6	2.3

U.S. Forecast Comparison

Real GDP

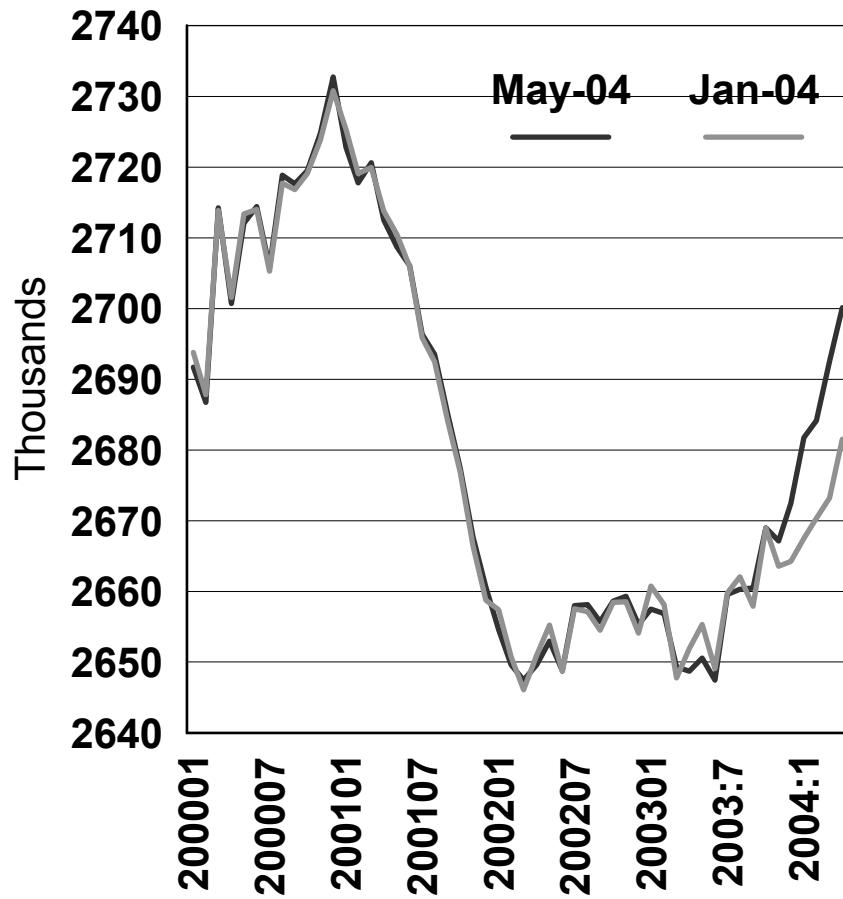


Payroll Employment

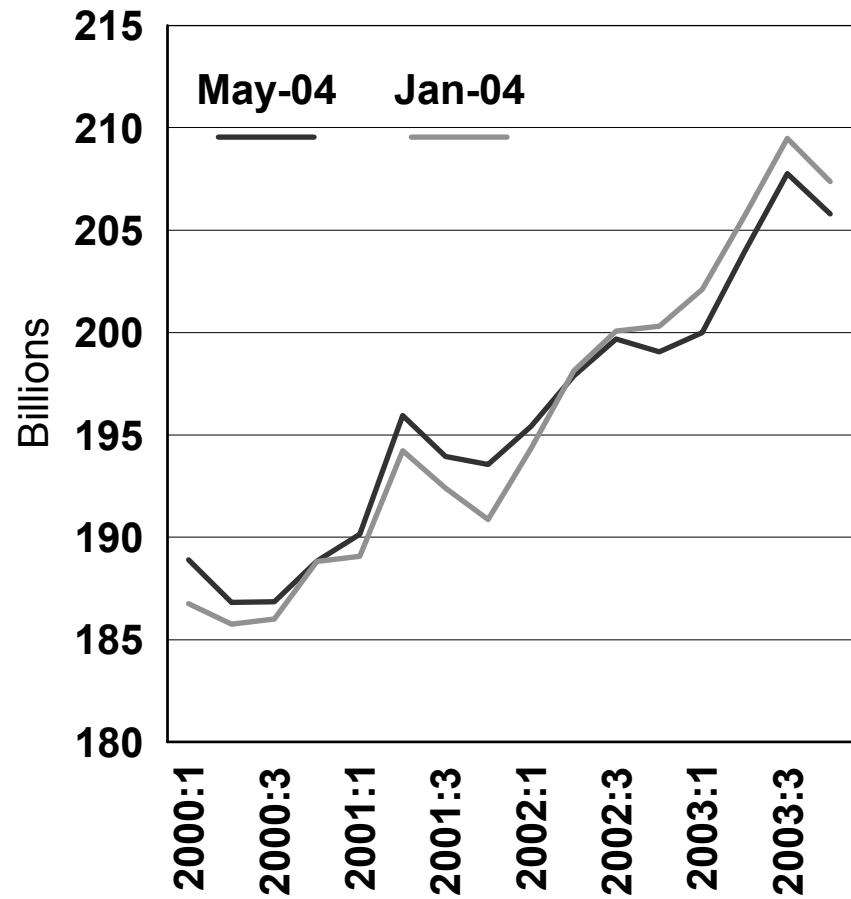


Recent Economic Activity in Washington

Employment

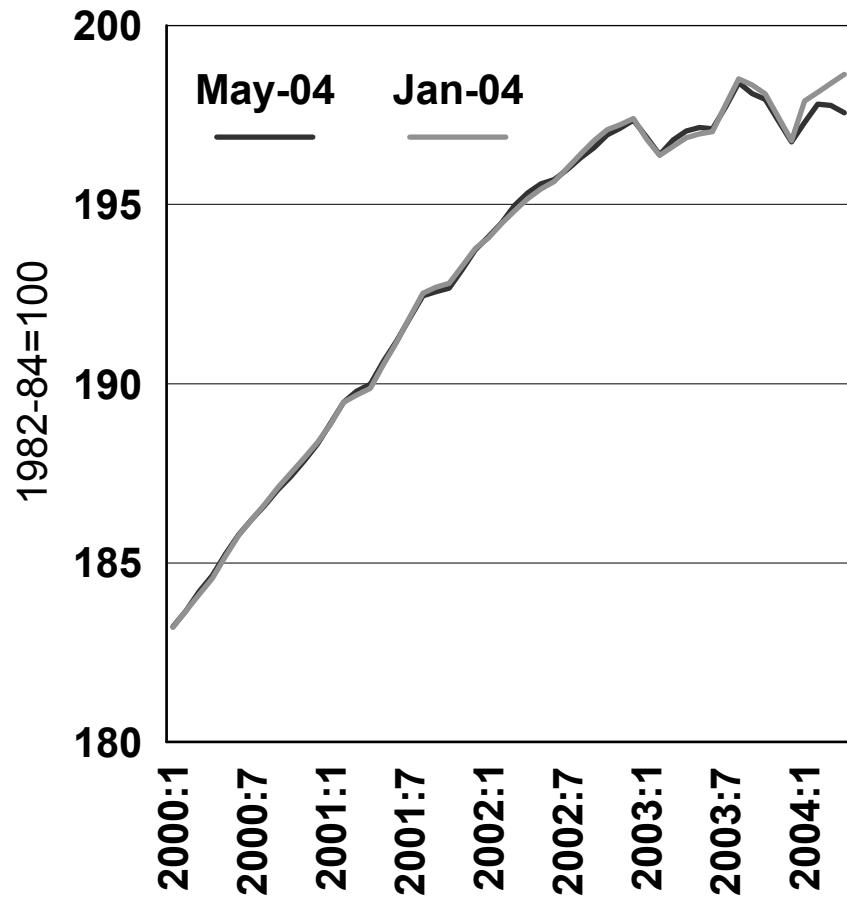


Personal Income

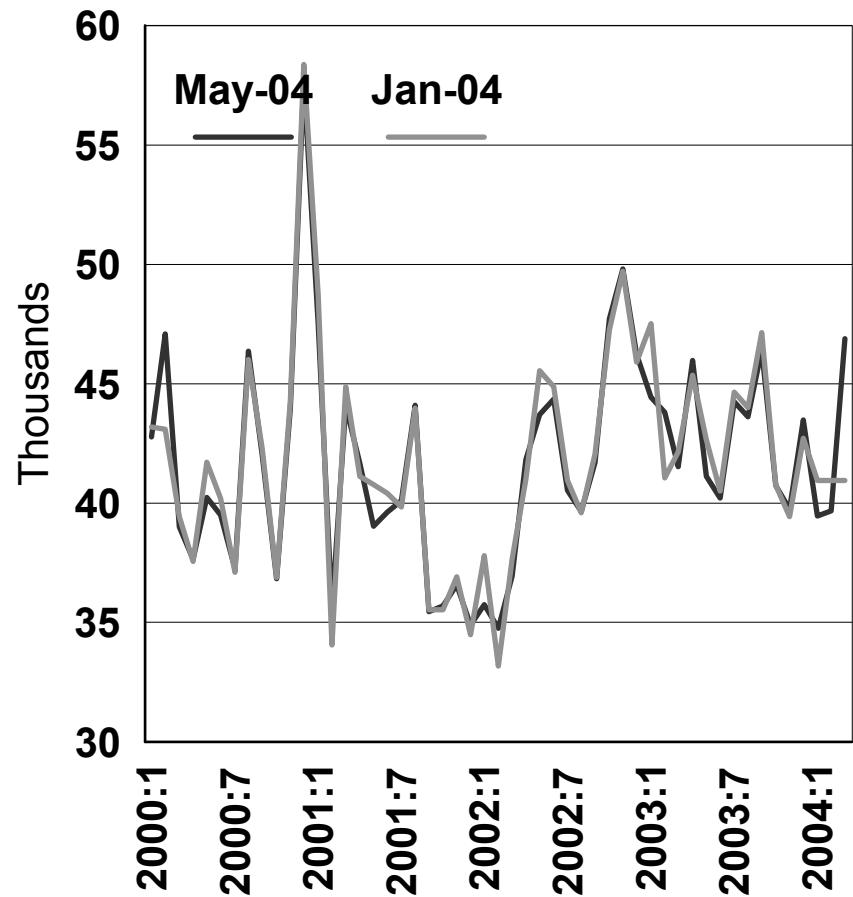


Recent Economic Activity in Washington

Seattle CPI (Core)



Housing Permits



U.S. Retail Sales and Washington Revenue Act Revenue Growth

